



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
2000 NAVY PENTAGON
WASHINGTON, D.C. 20350-2000

IN REPLY REFER TO

OPNAVINST 1700.13A

N46

05 September 1996

OPNAV INSTRUCTION 1700.13A

From: Chief of Naval Operations

Subj: BOARD OF DIRECTORS (BOD), NAVY MORALE, WELFARE AND
RECREATION (MWR) AND NAVY EXCHANGE (NEX) PROGRAMS

Ref: (a) NAVCOMPT Manual, Volume 7

1. Purpose. To revise the membership of the BOD and to allow the BOD to provide policy guidance and oversight of Navy Non-Appropriated Fund (NAF) operations serving Navy Quality of Life (QOL) objectives. This is a complete revision and should be read in its entirety.

2. Cancellation. OPNAVINST 1700.13.

3. Background. Efficient QOL operations and services contribute to personnel readiness and are essential to the effective functioning of the Navy. Navy NAF entities providing these services are the MWR/NEX Programs. Efficient operation of Navy NAF elements requires the direct involvement of top Navy management and the close cooperation of Navy NAF organizations. A BOD for Navy MWR and NEX programs, chaired by the Vice Chief of Naval Operations (VCNO), is established to oversee and direct the achievement of this objective.

4. Policy. A Navy NAF BOD will review the major policy and business actions, management practices, and interrelationships of the MWR/NEX programs. The BOD will provide a clear framework of broad policy and business guidance, with commensurate leadership support and commitment. The functions of the BOD are:

a. To make major policy and business decisions that determine the course of both organizations.

b. To ensure continued NAF QOL operations viability through effective programming and adequate appropriated and nonappropriated fund support.



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c. To charter and empower the MWR/NEX program managers.

d. To ensure the needs of the Sailor are met worldwide.

5. Responsibility of the BOD. The BOD is responsible to the Chief of Naval Operations (CNO) to:

a. Review and approve major policy and business actions of the MWR and NEX programs.

b. Provide oversight of and tasking to the MWR/NEX Flag Level Executive Council.

c. Provide the CNO with semiannual reports on the status of MWR/NEX programs.

d. Approve the funding level of the MWR/NEX capital programs.

e. Review quantity and effective use of Appropriated Fund (APF) support for the MWR/NEX programs.

6. Composition of the BOD. The Navy MWR/NEX BOD will be chaired by the VCNO.

a. Voting members are:

(1) Commander in Chief, U.S. Atlantic Fleet (CINCLANTFLT).

(2) Commander in Chief, U.S. Pacific Fleet (CINCPACFLT).

(3) Commander in Chief, U.S. Naval Forces Europe (CINCUSNAVEUR).

(4) Chief of Naval Education and Training (CNET).

(5) Deputy Chief of Naval Operations (Manpower and Personnel) (N1).

(6) Deputy Chief of Naval Operations (Logistics) (N4).

(7) Deputy Chief of Naval Operations (Resources, Warfare Requirements and Assessments) (N8).

(8) Commander, Naval Supply Systems Command (COMNAVSUPSYSCOM).

(9) Commander, Naval Reserve Force (COMNAVRESFOR).

(10) Two Echelon 2 commands representing interests of all other Echelon 2 commands. Representatives shall be selected by a consensus of the affected Echelon 2 commands. The senior Echelon 2 commander within this group will coordinate the nomination of the two Flag officer representatives, manage this process, and forward the nominees to the VCNO for approval. These representatives will serve 2-year terms on the BOD. These terms should be staggered to ensure continuity of representation.

(11) Master Chief Petty Officer of the Navy (MCPON)

b. Ex-officio non-voting members are:

(1) Navy Judge Advocate General (JAG) to advise members on the legal ramifications of issues presented for BOD decision.

(2) Assistant Secretary of the Navy (Manpower and Reserve Affairs) (ASN(M&RA)); Assistant Chief of Naval Personnel for Personal Readiness and Community Support, Bureau of Naval Personnel (BUPERS) (Pers-6); Commander, Navy Exchange Service Command (COMNEXCOM); Director, Shore Installation Management Division, Office of the Chief of Naval Operations (CNO N46); Director, Shore Activities Readiness, Commander in Chief, U.S. Atlantic Fleet (CINCLANTFLT N46); and Deputy Chief of Staff for Shore Installation, Commander in Chief, U.S. Pacific Fleet (CINCPACFLT N46).

7. Alternate BOD Members. A member of the BOD may designate, on a permanent basis, an alternate to act and vote on his or her behalf during member's absence. Designation of permanent

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alternates will be made in writing to the BOD chairman. Permanent alternates will be no less than the Deputy of the BOD member. Temporary alternates may not be designated.

8. BOD Proceedings. The following procedures apply:

a. If the VCNO is unable to act as chairman, the next senior member will assume the chair.

b. The quorum required to conduct BOD business will be eight voting members plus a chairman.

c. Only the BOD member or designated permanent alternate may vote.

9. Flag Level Executive Council. A Flag-Level Executive Council (FLEC) is established to support the BOD and function as the body which screens MWR/NEX issues for BOD consideration. The FLEC will provide a balanced focal point for high level review of issues that are referred to the BOD. The FLEC will staff and resolve any differences between the MWR/NEX program managers or Echelon 2 representatives on financial and programmatic matters. The FLEC is specifically tasked to include continual review of APF support of MWR/NEX programs with the objective of maximizing the use of APF budgeted for these QOL programs.

a. Responsibility of the FLEC

(1) Review and recommend major changes in the distribution of NEX support to MWR, subject to BOD review.

(2) Review the separate MWR/NEX Central Fund Construction Programs prior to approval by the BOD.

(3) Review annual financial plans and budgets prior to approval of the MWR/NEX budgets by the BOD.

(4) Champion APF support for MWR/NEX programs; monitor APF execution.

(5) Review MWR/NEX long-range operational/financial plans.

(6) Review and recommend BOD agenda items.

(7) Address key MWR/NEX Base Realignment and Closure Commission (BRAC) issues.

(8) Provide oversight of and tasking to the MWR/NEX Working Group.

(9) Meet as required by order of the chairman.

b. Composition of the FLEC. CNO (N46) will serve as the chairman of the FLEC and ensure positions of other claimants/Echelon 2 commanders are fully represented. Other members are CINCLANTFLT (N46), CINCPACFLT (N46), BUPERS (Pers-6), and COMNEXCOM.

c. Alternate FLEC Members. A member of the FLEC may designate a temporary alternate to act and vote on his or her behalf during member's absence. Designation of permanent alternates will not be considered. Temporary alternates may be the FLEC member's deputy or the FLEC Working Group member.

d. FLEC Proceedings. A quorum is required to conduct FLEC business consisting of at least three members; however, at least one of the voting members of the quorum must be a Fleet CINC Flag representative.

10. MWR/NEX Working Group. A non-Flag level MWR/NEX Working Group, chaired by a staff member appointed by the chairman of the FLEC, CNO (N46), with program manager (MWR/NEX) and Echelon 2 representatives, is established to support the FLEC. The MWR/NEX Working Group's charter is to staff and analyze major business decisions, budgets, and capital expenditure plans for presentation to the FLEC and/or BOD, when directed.

a. Responsibility of the MWR/NEX Working Group

(1) Review and evaluate the annual profit sharing plan prepared by program managers for presentation to the FLEC and BOD.

(2) Review and evaluate MWR/NEX budgets (headquarters, program operations, capital projects).

(3) Review and recommend subsidy requests before they are presented to the FLEC.

(4) Respond to all taskings on issues emanating from BOD and FLEC meetings.

(5) Create sub-working groups as required to broaden the scope of work and analysis.

b. Composition of the MWR/NEX Working Group

(1) The MWR/NEX Working Group chair will be a staff member appointed by the chairman of the FLEC.

(2) MWR/NEX Working Group members are representatives from CNO (N46), BUPERS (Pers-65), COMNEXCOM, and all Echelon 2 commands.

c. MWR/NEX Working Group Proceedings

(1) The MWR/NEX Working Group chairman will ensure a quorum, consisting of a simple majority, is present at all formal meetings.

(2) MWR/NEX Working Group members have the right to submit, individually or collectively, minority reports. These minority reports will be signed and given to the FLEC chairman within 5 working days after the meeting for submission as an enclosure to the record of proceedings.

11. Program Manager Responsibilities. Program managers will retain their own Chief Executive Officer-like responsibilities for their individual programs to make informed business decisions without having to wait for the next meeting of the BOD. Neither the FLEC nor the MWR/NEX Working Group will supplant these responsibilities; however, the FLEC will review and recommend action on all issues which involve both programs and which have not been mutually agreed to by both program managers.

12. Action

a. The BOD will meet at least semiannually. The BOD may also meet upon order of the chairman. The FLEC will meet as often as necessary to ensure their responsibilities are met. The FLEC may also meet upon order of the chairman. The MWR/NEX Working Group will meet as often as necessary to ensure their responsibilities are met. MWR/NEX Working Group meetings may be called by the chairman of the BOD, by the chairman of the FLEC, or by the chairman of the MWR/NEX Working Group.

b. Matters may be referred to the MWR/NEX Working Group by the chairmen of the BOD or FLEC when required.

c. The MWR/NEX Working Group shall keep a record of its recommendations and proceedings, and submit minutes of its activities to the next meeting of the FLEC.

d. The MWR/NEX Working Group may call upon Navy MWR and/or NEX program managers for information or data, or for representation on matters within its jurisdiction.

e. In lieu of additional meetings, the chairman of either the BOD or FLEC may elect to poll individually the voting members and achieve resolution on matters which require expeditious handling.

f. Temporary duty travel funds for BOD members, FLEC, and the MWR/NEX Working Group will come from their respective command travel funds in accordance with the provisions of reference (a), which requires the use of APF for travel of personnel who perform essential command and control functions.

g. When APF resources are not available, MWR/NEX program managers will share equally in funding a MWR/NEX Working Group coordinator (including travel expenses) to administer the MWR/NEX Working Group and coordinate FLEC meeting issues and minutes. If additional administrative support is required, it will be provided equally by the two program managers. Any additional staffing must be approved by the FLEC.

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13. Reports. The reporting requirements contained in paragraph 5c are exempt from reports control by SECNAVINST 5214.2B.



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